

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 3/5/2013	(3) CONTACT/PHONE Suzan Ehdaie, Planner II / 781-4974	
(4) SUBJECT Hearing to consider a Resolution approving and authorizing submittal of the Urban County of San Luis Obispo Program Year 2013 Action Plan (Clerk's file)			
(5) RECOMMENDED ACTION Staff recommends that your Board: 1. Hold a public hearing to approve activities under Community Development Block Grants (CDBG), Home Investment Partnerships (HOME) and Emergency Shelter Grants (ESG) funding levels as shown in Attachment 3, and 2. Adopt the attached resolution (Attachment 1) approving and authorizing submittal of the Urban County of San Luis Obispo Program Year 2013 Action Plan (Clerk's file) to the U.S. Department of Housing and Urban Development.			
(6) FUNDING SOURCE(S) CDBG, HOME, ESG and General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$2,532,942 in grant funds, \$96,000 in General Fund	(8) ANNUAL FINANCIAL IMPACT \$2.5 million in grant funds, \$96,000 in General Fund	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>60</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A <u>Date: 12/11/2012 (item 21)</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Suzan Ehdaie

VIA: Dana Lilley, Supervising Planner, Housing and Economic Development Section

DATE: 3/5/2013

SUBJECT: Hearing to consider a Resolution approving and authorizing submittal of the Urban County of San Luis Obispo Program Year 2013 Action Plan (Clerk's file)

RECOMMENDATION

Staff recommends that your Board:

1. Hold a public hearing to approve activities under Community Development Block Grants (CDBG), Home Investment Partnerships (HOME) and Emergency Shelter Grants (ESG) funding levels as shown in Attachment 3, and
2. Adopt the attached resolution (Attachment 1) approving and authorizing submittal of the Urban County of San Luis Obispo Program Year 2013 Action Plan (Clerk's file) to the United States Department of Housing and Urban Development (HUD).

In August 2012, the County began preparing the 2013 Action Plan which is part of the Urban County of San Luis Obispo 2010-2015 Consolidated Plan. The County and five of its cities together qualify as an Urban County eligible to receive annual formula grant awards from United States Department of Housing and Urban Development (HUD). The current participating cities include Arroyo Grande, Atascadero, Morro Bay, Paso Robles, and San Luis Obispo.

As part of the 2013 Action Plan preparation, a public hearing was held on December 11, 2012, to receive public input on housing and community development needs. The County then reviewed applications in response to a request for proposals released in August 2012 and published the draft funding recommendation for a 30- day review period from December 20, 2012 to January 30, 2013.

The purpose of today's hearing is to consider public input and the funding recommendations received from the cities and to approve funding for specific activities from the Community Development Block Grants (CDBG), Home Investment Partnerships (HOME) and Emergency Shelter Grants (ESG) programs. The deadline to submit the 2013 Action Plan to HUD is May 15, 2013. All public comments received through today's hearing will be summarized in an attachment to the plan.

The 2013 Action Plan details funding allocations and activities that the Urban County will undertake. The allocations will help accomplish the goals identified in the five-year Consolidated Plan for Program Year 2013 (Fiscal Year 2013-2014) relating to housing, homelessness, community development, citizen participation, public services, economic development and public facilities.

Note that the funding recommendations outlined in this staff report are rough estimates as HUD has not notified the Urban County of its final allocations of CDBG, HOME, and ESG program. When HUD releases the final allocations, staff will adjust the funding levels and bring the revised Action Plan back to your Board for approval.

Per the Board approved Citizen Participation Plan, the County is the lead agency in the preparation of the Action Plan. The process includes: the initial request for proposals, review and consideration of funding applications; conducting public workshops; providing technical assistance to the public, applicants and participating jurisdictions; and preparing staff reports, action plans and other documents necessary for the approval of an action plan by the Board of Supervisors.

The Action Plan also serves as an application to HUD for the following grant entitlements grants:

<u>Program</u>	<u>Allocation</u>
CDBG:	\$1,619,169
HOME:	\$ 750,000
ESG:	\$ 163,420
Total	\$2,532,589

Community Development Block Grant (CDBG) Program

The CDBG program is designed to provide local governments with funds to address a variety of community development needs. Local discretion may be used to determine specific activities to be funded, provided they: 1) benefit low and moderate income persons, 2) aid in the prevention of slums or blight, or 3) meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Staff is estimating an 8% cutback to the CDBG program due to the upcoming federal budget cuts known as sequestration which is expected to occur in March. The Program Year 2013 CDBG allocation would be \$1,619,169. For purposes of the funding recommendation process, participating cities also elected to reduce their 2013 allocation figures by 8% in anticipation of federal budget cuts to the CDBG program.

HUD uses the US 2010 Census data from the American Community Survey (ACS) to determine the "share" of CDBG funds for jurisdictions nationwide. The ACS formula used by HUD for urban county funds has three variables: population, the number of people in poverty, and the number of overcrowded units. These variables determine each grantee's share of CDBG funds. The Urban County uses this same formula to divide the total CDBG allocation among the participating cities.

Based on the ACS data and the 8% reduction assumption to the CDBG program, the 2013 CDBG funding level changed for the County as well as the participating cities. Table 1 shows the estimated CDBG funding level for the County and the participating cities for Program Year 2013.

Table 1: The 2013 Community Development Block Grant Program

JURISDICTION	2013 FORMULA ALLOCATION
Arroyo Grande	\$58,517
Atascadero	\$154,988
Morro Bay	\$85,932
Paso Robles	\$167,775
San Luis Obispo	\$506,588
Unincorporated County	\$645,369
TOTAL	\$1,619,169

The Home Investment Partnerships (HOME) Program

HOME provides formula grants that communities often use in partnership with local non-profit groups to fund a wide range of activities. This includes developing, purchasing, or rehabilitating affordable housing for rent or homeownership, and providing direct rental assistance to low-income people.

Staff is also anticipating a 10% cutback to the HOME program due to the federal budget sequestration. The Program Year 2013 HOME allocation would be \$750,000. Table 2 shows the affordable housing projects recommended for funding with HOME program.

Table 2: The 2013 HOME Investment Partnerships Program Allocations

AFFORDABLE HOUSING PROJECTS	2013 FORMULA ALLOCATION
Tenant Based Rental Assistance Program By The Housing Authority of the City of SLO	\$58,000
Morro Del Mar Senior Apartments (Morro Bay) By PSCDC Morro Del Mar, L.P.	\$315,000
Tenant Based Rental Assistance Program By The Housing Authority of the City of Paso Robles	\$30,000
Property Acquisition, 313 South Street, San Luis Obispo By ROEM Development	\$200,000
Unallocated	\$72,000
Tenant Based Rental Assistance Program (administration) By The Housing Authority of the City of SLO	\$9,000
Tenant Based Rental Assistance Program (administration) By the Housing Authority of Paso Robles	\$3,000
County of SLO Administration (10%)	\$63,000
TOTAL	\$750,000

The Emergency Solutions Grant (ESG) Program

The ESG program provides funding to assist persons who are homeless or at eminent risk of becoming homeless. Eligible uses of ESG funding include outreach to homeless persons, emergency shelter services, homelessness prevention and rapid re-housing, data collection through the Homeless Management Information System (HMIS) and general administration of the ESG program. Activities in this funding source are strongly tied to the *San Luis Obispo Countywide 10-Year Plan to End Homelessness*. The County awards ESG funds to subgrantees through a request for proposal process.

Table 3: The 2013 Emergency Solutions Grant Program Allocations

EMERGENCY SHELTER	2013 FORMULA ALLOCATION
Maxine Lewis Memorial Shelter	\$33,446
Prado Homeless Day Center	\$19,685
Women's Shelter Program of San Luis Obispo County	\$6,709
North County Women's Shelter and Resource Center	\$13,237
El Camino Homeless Organization	\$14,022
CAPSLO for Transitional Food and Shelter clients	\$4,376

EMERGENCY SHELTER	2013 FORMULA ALLOCATION
Homeless Prevention	
Central Coast LINK – Rental Assistance	\$6,750
Central Coast LINK – Housing Relocation and Stabilization Services	\$6,750
Women's Shelter Program of San Luis Obispo County – Rental Assistance	\$750
Women's Shelter Program of San Luis Obispo County – Housing Relocation and Stabilization Services	\$750
Rapid Re-Housing	
Central Coast LINK – Rental Assistance	\$11,025
Central Coast LINK – Housing Relocation and Stabilization Services	\$20,476
Women's Shelter Program of San Luis Obispo County – Rental Assistance	\$1,225
Women's Shelter Program of San Luis Obispo County – Housing Relocation and Stabilization Services	\$2,276
Data Collection- HMIS	
Central Coast LINK	\$3,087
Women's Shelter Program of San Luis Obispo County	\$500
CAPSLO (for Transitional Food and Shelter clients)	\$6,100
Administration	
Agency Administration	\$6,128
SLO County Administration	\$6,128
Total	\$163,420

Public Participation

The Urban County conducted four advertised public workshops and one public hearing to solicit public input about housing and community development needs before issuing a countywide request for proposals and preparing draft funding recommendations. A public hearing was conducted by the County Board of Supervisors on December 11, 2012. The workshops were held in Arroyo Grande, Atascadero, Morro Bay, and San Luis Obispo.

The County also consulted with several agencies and organizations during meetings of the Homeless Services Oversight Council (HSOC), including its subcommittees, and individually with the Housing Authority of the City of Paso Robles; the Housing Trust Fund, Community Action Partnership of San Luis Obispo County (CAPSLO); Peoples' Self-Help Housing Corporation (PSHHC); County General Services; County Public Works, the Mission Community Services Corporation, and other groups.

Public Comments

Public comments received during the "needs" workshops and generally throughout the 2013 Program Year process, primarily focused on the need to provide services and housing for the homeless population. The comments primarily came from the County's homeless service providers like CAPSLO, the El Camino Housing Organization, Transitional Food & Shelter, and others, but also from housing providers like the Paso Robles Housing Authority and PSHHC. With the current market downturn, housing foreclosures and increasing unemployment figures, the demand for homeless services has increased. Demand for services from other organizations such as the Atascadero Loaves & Fishes and others have noted an increase in the number of persons who seek assistance.

Other comments related to the economic downturn focused on the need to assist local businesses to survive the economic downturn. Mission Community Services Corporation stressed the importance to provide technical assistance to prospective new business owners and existing microenterprises to develop new business plans and technical assistance to help businesses survive, expand if possible, and create new jobs. A summary of the comments received are shown on Attachment 4.

Request for Proposals

In August 2012, the County issued a countywide Request for Proposals and comments (RFP) to encourage any interested parties to submit their proposals for funding through the CDBG, HOME, and ESG programs. The RFP included evaluation criteria used by the cities and the County, as follows:

1. Consistency with federal regulations and laws
2. Community support (for example, approval of project by a city council)
3. Seriousness of community development need proposed to be addressed by project
4. Degree to which project benefits low and moderate income and low income families or persons
5. Feasibility of the project to be completed as budgeted and by December 21, 2014
6. Cost effectiveness of funds requested and leveraging of other funds
7. Organization's experience or knowledge regarding federal requirements

The following additional criteria were specified for use only to evaluate proposals for funding under the "Special Urban Projects Fund" allocation, pursuant to the cooperative agreements between the County and each of the participating cities:

1. Degree to which the proposal would benefit more than a single jurisdiction (i.e., more than one city, a city and portions of the unincorporated County)
2. Need by the project for more funding than is available through the other allocations to be feasible
3. The project provides direct benefit to most needy groups such as (but not necessarily limited to) low income and/or handicapped persons, at-risk youth (gang prevention).

The County prepared and published funding recommendations based on an evaluation of how the proposals met the criteria specified in the RFP instructions. These funding recommendations were published and distributed to each of the participating cities and some 300 interested persons. The Urban County conducted four more public workshops to solicit public comments and answer questions about the draft plan.

Project readiness is key to meet the timely expenditure of CDBG funds as required by the federal regulations. The County regularly reports to HUD on the Urban County's progress to comply with the timely expenditure of CDBG funds. The 2013 CDBG funding recommendation is a reflection of the need to fund those projects that can expend the funds within 18 months of the beginning of the grant funding program year.

The Urban County of San Luis Obispo Program Year 2013 Action Plan is on file with the County Clerk.

OTHER AGENCY INVOLVEMENT/IMPACT

County staff consulted with the participating cities, Homeless Services Oversight Committee (HSOC), General Services Agency, Public Works, and non-profit agencies to identify needs and potential projects. Staff also provided technical assistance to the cities to facilitate their decision on the grant application process. Staff also obtained guidance from HUD regarding eligibility of certain proposed activities. County Counsel reviewed and approved the Resolution as to form and content.

FINANCIAL CONSIDERATIONS

The CDBG, HOME and ESG programs provide funding to cover most of the staff costs for administering the programs. The HUD grant allocations will provide an estimated total of \$210,000 to be used by County staff to administer the CDBG, HOME and ESG programs, but the total anticipated cost of administration is approximately \$306,000. As a result, the impact to the General fund is expected at approximately \$96,000.

RESULTS

The result of this hearing is to secure and allocate federal grant funds that directly benefit County residents.

ATTACHMENTS

1. Attachment 1 - Resolution Authorizing Submittal of the 2013 Action Plan
2. Attachment 2 - Urban County Program Year 2013 Action Plan (Clerk's File)
3. Attachment 3 - Program Year 2013 Action Plan Funding Recommendations
4. Attachment 4 - Summary of Public Comments